SCOPING STATEMENT CAVE GULCH-BULLFROG-WALTMAN INFILL NATURAL GAS DEVELOPMENT PROJECT ENVIRONMENTAL ASSESSMENT

Bill Barrett Corporation, Chevron USA Inc. and Prima Energy Corporation

Bureau of Land Management Casper Field Office

Description of Project

Bill Barrett Corporation, Chevron USA Inc., and Prima Energy, hereafter known collectively as the operators, propose continued development in the Cave Gulch-Bullfrog-Waltman Fields. The current programmatic NEPA analysis, the Cave Gulch-Bullfrog-Waltman Natural Gas Development Project (CGBWNGDP) EIS, completed in May 1997, analyzed impacts from 160 wells on 107 well pads, and activity to date has nearly reached these levels. Based on current data, the operators estimate that up to 149 additional wells would be required to fully develop all currently known oil and gas resources within the project area (Figure 1).

The operators propose to drill a maximum of 149 wells on 105 well pads over a ten year period. Of this total, 111 wells would be drilled to the relatively shallow Fort Union and Lance Formations (< 10,000'), with 38 wells proposed in the deeper horizons of the Cody and Mesa Verde Formations. The core area of the field in Sections 29, 30, 31 and 32 of T37N, R86W will see much of the drilling, with development at 20 and 10 acre densities in certain areas. Field wide, the operators estimate that 82 wells would be drilled at a 40 acre density, 26 wells would be drilled at a 20 acre density, and 41 wells would be drilled at a 10 acre density. The operators propose to utilize directional drilling techniques in conjunction with some of the 20 acre and all of the 10 acre density wells. The number of wells ultimately drilled at each density, locations of the proposed drill sites, and timing of drilling activities would be dictated by the continued success of development wells, the future success of wells drilled at increased depth and well densities, technological advances that allow for the efficient development of marginal resources, and future economic considerations.

The operators also foresee drilling wells in three sections south of the southern boundary of the analysis area originally considered in the 1997 CGBWNGDP EIS document. Some of the wells tabulated above are proposed for Sections 34, 35 and 36 in T36N, R87W. As a consequence, the analysis area would be increased by approximately 1,920 acres from the 25,093 acres originally analyzed in the CGBWNGDP EIS to 27,013 acres currently proposed for additional infill development (see Figure 1).

Drilling, completion, and production methods will be similar to those utilized to date and previously analyzed in the 1997 CGBWNGDP EIS.

It is likely that two additional produced water injection wells, to be proposed at as yet undetermined locations, will be needed. Existing compression facilities are considered adequate to handle the additional volumes of gas and no new compression is being proposed. The existing gathering

system will also be utilized by the new wells with incremental expansion of said gathering system to the new well sites, typically using a utility (pipeline) corridor that is common with and parallel to the access road.

The proposed development would be initiated upon approval and drilling will probably occur over a 10-year period. The operators project that up to four drilling rigs may be active at any one time in the area and that most of the drilling would occur within 5 years of initial project approval.

National Environmental Policy Act

On reviewing the current proposal received from the Operators, the CFO/BLM has determined that an Environmental Assessment (EA) will be initiated to determine if an environmental impact statement (EIS) is required. If the impacts of the proposed action analyzed in the EA are determined to be "not significant", then and EIS will not be required, and the BLM Field Manager may sign a Decision Record(DR) with a "Finding of No Significant Impact" (FONSI), which would allow the infill drilling program to proceed as described in the EA. If the impacts of the proposed action analyzed in the EA are determined to be significant, the preparation of an EIS will be required.

One element of the *National Environmental Policy Act* (NEPA) process is scoping. Scoping activities are initiated early in the process:

- ∉ to identify reasonable development alternatives to be considered in the environmental document;
- ∉ to identify environmental/socioeconomic issues of concern related to the proposed project; and
- ∉ to determine the depth of analysis for issues addressed in the environmental document.

This scoping statement has been prepared to enable government agencies, the general public, and other interested parties to participate in and contribute to the analysis process. Public input is important in establishing the scope of analysis for any NEPA document, and the BLM encourages public participation.

Identified Resource Management Issues, Concerns, and Opportunities

The major issues related to the Cave Gulch-Bullfrog-Waltman Infill Natural Gas Development Project identified to date include the potential differences in impacts to resources previously analyzed.

Interim Drilling Activities

While the Cave Gulch-Bullfrog-Waltman Infill Natural Gas Development Project EA is being prepared, the BLM may allow development to continue on a case-by-case basis under the drilling program as approved in the August 1997 Record of Decision for the Cave Gulch-Bullfrog-Waltman Natural Gas Development Project Environmental Impact Statement.

Interdisciplinary Team

Based on the current understanding of issues, concerns, and opportunities and established objectives from the previous analysis, an interdisciplinary team (IDT) made up of the following specialists and skills have been identified:

- ∉ Air Quality Specialist;
- ∉ Archaeologist;
- ∉ Environmental Protection Specialist (surface protection);
- ∉ Geologist;
- ∉ Hydrologist;
- ∉ Interdisciplinary Team Leader;
- ∉ Petroleum Engineer;
- ∉ Public Affairs Specialist;
- ∉ Range Management Specialist;
- ∉ Realty Specialist;
- ∉ Recreation Planner;
- ∉ Soil Scientist; and
- ∉ Wildlife Biologist.

Timing Needs and Requirements

Public input is important in establishing the level and scope of the analysis. The public is encouraged to participate throughout the environmental analysis process to help in identifying the level of analysis needed, alternatives to the proposed action, other issues or concerns that should be analyzed, mitigative opportunities, and any other comments or ideas to help ensure the completeness of the analysis process.

Your comments are due by June 7, 2004. Please submit your comments to:

Address: Joe Meyer, Project Manager

Bureau of Land Management

Casper Field Office 2987 Prospector Drive Casper, WY 82604

Email: casper_wymail@blm.gov

(Please refer to the Cave Gulch-Bullfrog-Waltman Infill Natural Gas Project in your response.)

PUBLIC PARTICIPATION

Attached to this scoping notice is a list of agencies, companies, individuals and organizations who will receive a copy of this scoping statement. In addition, a notice will be distributed to local media and posted on the BLM web page at: www.wy.blm.gov/cfo.

Agencies, companies, individuals and organizations receiving this notice:

Bill Barrett Corporation Chevron USA Production Yates Drilling Company

MYCO Industries Incorporated

Marathon Oil Company Incorporated Los Chicos Sacramento Partners LP

John A. Yates Lillie M. Yates

Sharbro Oil LTD Company

John P. Lockridge Bruce E. Kittinger

Liberty Petroleum Corporation Hanson & Strahn Incorporated Pioneer Natural Resources USA Inc.

Keith L. Mohl W. A. Moncrief Vernon R. Drwenski C. B. Moncrief

Monty Brennan Moncrief Trust Richard Jason Moncrief Trust

W A Moncrief

U.S. Environmental Protection Agency

Natrona County Commissioners

Sierra Club

U.S. Representative Barbara Cubin

U.S. Senator Mike Enzi

Wyoming Nature Conservancy Land Quality Advisory Board

Wyoming Department of Agriculture

Wyoming Geological Survey

Wyoming Office of State Lands and Investments

Wyoming State Engineer's Office Wyoming State Planning Office Petroleum Association of Wyoming

Flying A Ranch

Deer Creek Ranch Inc.

Colorado Interstate Gas Company Express Pipeline Partnership Chevron USA Incorporated
Yates Petroleum Corporation
ABO Petroleum Corporation
Cabot Oil & Gas Corporation
Texaco Exploration and Production

Tom Brown Incorporated

Marico Exploration Incorporated

Trust Q

Marathon Oil Company Prima Oil & Gas Company

Nancy L. Kittinger Mary Laura Lockridge NPC Incorporated

Lindenmuth & Associates INTOIL Incorporated

Bill Womacks

KENTTA Corporation

Lee Wiley Moncrief 1988 TRST

RWM 1988 Trust TO Moncrief Trust

Mindyanne E Moncrief Trust

City of Casper

Murie Audubon Society

Natrona County Conservation District

The Nature Conservancy U.S. Senator Craig Thomas U.S. Fish & Wildlife Service Wyoming Outdoor Council

Natrona County Weed Control District Wyoming Game & Fish Department Wyoming Office of Federal Land Policy Wyoming Oil & Gas Conservation Comm. Wyoming State Historic Preservation Office

Wyoming Wildlife Federation Brad and Donna Carlson

Norman Preator

Murphy Ranch Company Encana Pipelines (USA), Inc.

Frontier Pipeline, Inc.

Kinder Morgan, Inc. Rocky Mountain Pipeline Systems, LLC Crow Tribe Northern Arapaho Tribe Oglala Lakota Platte Pipeline Company Cheyenne / Arapahoe Tribes of Oklahoma Eastern Shoshone Tribe Northern Cheyenne Tribe

Figure 1. Project Area Location Map.

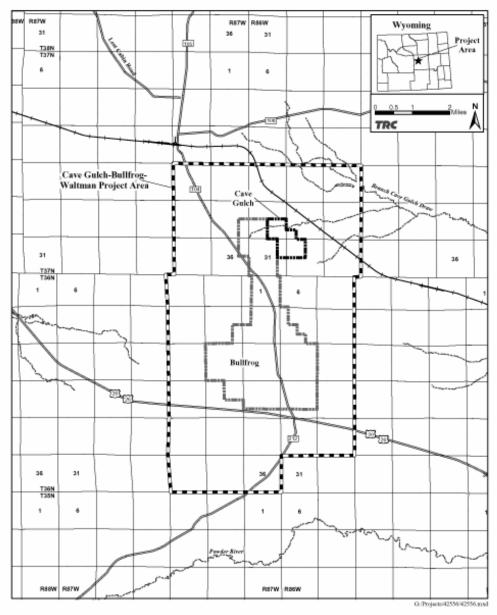


Figure 1. Location of the Cave Gulch-Bullfrog-Waltman Project Area.